

SBA's REGION V OFFICE TAKE FIVE

Midwest Entrepreneurs' Small Business Resource

SBA Region V Office Services the States of Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin

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- 1-800-REG-FAIR

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MESSAGE FROM THE REGIONAL ADMINISTRATOR

Welcome to another edition of "Take Five".

SBA Region V continues to achieve its mission of helping America's entrepreneurs start, grow or expand their business and working with the small business community. Over this past quarter, our Region made phenomenal achievements in servicing our small businesses from counseling businesses to providing financial assistance. We are presently ranked 3 in the nation with a majority of our district offices in the top ½ of the country. We also initiated an exciting partnership with the federal agencies such as the Department of Labor in addition to other members of the small business community.



Patrick E. Rea

Many of the accomplishments from our offices and small businesses will be recognized during the annual **SBA EXPO 2005**. I encourage you to join us **April 26-28** in Washington, D.C. for this event as we celebrate the phenomenal achievements of small businesses from across the country. **SBA EXPO 2005** is a dynamic three-day event that brings together entrepreneurs, corporations, trade associations and community leaders. The conference is filled with networking opportunities, educational forums and other events designed to enhance opportunities for small business owners. For conference registration, visit www.sba.gov/expo.

HAVE A GREAT SPRING!

For information on the full array of SBA's programs and services, visit our Internet site at www.sba.gov/regions/states. You can call the Midwest Regional Office at (312) 353-0357 or contact the district or branch office nearest you.

CLEVELAND MATCHMAKER EVENT BRINGS TOGETHER SMALL BUSINESSES AND GOVERNMENT BUYING AGENTS *Over 2,000 One on One Meetings Held Over Two Days to Discuss Billions of Dollars of Potential Contracts*

The Cleveland District Office helped host a very successful business matchmaker event on March 15 and 16. The event was held at beautiful Jacob's Field, home of the Cleveland Indians, in downtown Cleveland. The matchmaker was a win for the small businesses, a win for the buyers, and one might even say a win for the Cleveland Indians.



Alan Lewis of Advanced Federated Protection, Inc., concluding a meeting with Anthony Outley, a buyer with General Services Administration (on the right).

The Cleveland Matchmaker 2005 was presented by the Urban League of Greater Cleveland in cooperation with SBA

under the President's Faith-Based and Community Initiative. During the formal luncheon on the first day, SBA Region V Administrator Pat Rea stated that the future of the Midwest depends on entrepreneurship, e-lancers, and matchmaking events like this, which brings economic opportunity and sales dollars to Ohio and the Midwest.

The event brought together 250 small businesses and matched them up with contract opportunities from major buying activities represented by 59 buyers. Some of the buyers who

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participated in the event were NASA, the Veterans Administration, Diebold, Parker Hannifin, the City of Cleveland, the Cleveland City Schools, Cuyahoga Community College, The Cleveland Clinic and First Energy Corp. Over 2,000 one on one matchmaking meetings took place over the two days of the event!

The large buying activities were in the market for all types of products and services, from high tech items to basic commodities and services such as janitorial supplies and landscaping. The small businesses present had the opportunity to tap into potentially billions of dollars worth of contracts. One on one meetings were scheduled in advance between the buyers and sellers based on their mutual wants and needs. This was all handled electronically via on-line registration and matchmaking software. In addition to the prescheduled meetings, business owners availed themselves to informal, walk-up meetings as well. Participants also had the opportunity to attend workshops on Accessing Capital, Selling to the Government, the GSA Schedule and Exporting.



Pictured left to right: Patrick Rea, SBA Region V Administrator and Jim Duffy, SBA Cleveland District Office Assistant District Director for Economic Development

MINNESOTA DISTRICT OFFICE MINORITY CONTRACTING OPPORTUNITY RECRUITMENT FAIR

Cooperation and community involvement have been the keys to success for the Federal Executive Board of Minnesota's SADBOD Government Procurement Fair. This past November, fifty-nine organizations staffed booths, conducted 19 different procurement related workshops, and paid the tab to allow over 500 small businesses to attend the event free of charge. The sponsor of the Government Procurement Fair, FEB's Small and Disadvantaged Business Opportunity Council or SADBOD is led by the Minnesota District Office and is a council of federal, state, local, and non-profit agencies that share an interest in maximizing opportunities for disadvantaged businesses.

The event, now in its sixth year, features a continuous trade show in the main exhibit space and procurement related workshops on the hour in four adjacent rooms. Government agencies, prime contractors and non-profits pay a small fee to exhibit. The event does not include a luncheon or any general assembly. By not providing lunch, the fees charged to the exhibitors are enough to cover the cost of the facility. This allows small businesses to attend free of charge. This format works well from an operational standpoint. In addition to not having to deal with the logistics of a lunch, the fees can be collected well in advance from the participating organizations rather than from the 900 or so attendees.

The publicity for the event is also done very efficiently and at no cost through the cooperation of the participating organizations. All of the participating organizations (many of whom are SADBOD members) are provided electronic publicity pieces and are simply asked to invite their constituencies. Some organizations such as the State of Minnesota, PTAC, ethnic chambers of commerce and SBDC have email lists containing the addresses of thousands of businesses interested in government contracting. Since SADBOD does not compile a consolidated list, many businesses receive multiple invitations. This is considered emphasis rather than a problem!

Beginning in 2002, SBA has handled the registration for the event through its Minnesota District Office web page. This was the Minnesota DO's first foray into online registration and has worked very well. While the Procurement Fair is free, the publicity announcements state that pre-registration is required. Pre-registration provides a good idea of the expected attendance, creates a level of commitment on the registrar's part to attend the event, and drives traffic to the Minnesota DO's web site.

EFFECTIVE MARKETING EQUALS SMALL BUSINESS RESOURCE FAIRS

How can we effectively reach more small business owners in Minnesota with our products and services? That was the question posed to the SBA Minnesota Marketing and Outreach Committee.

Small Business Resource Fairs were developed and have become an integral part of Minnesota's outreach and marketing plan. The fairs have created a tremendous partnership with our resource partners: The SCORE Association, Minnesota Small Business Development Center and Women's Business Centers.

The resource fairs offer a wide variety of training,

counseling and information. Attendees can participate in various training sessions and get individual counseling on site. They also can visit with



professionals in the exhibit hall and get the latest information on marketing, financing and management skills to successfully operate their businesses.

After a very successful 2004 where more than 1,200 people attended the fairs, with over 125 organizations participating in the exhibit hall, five more events will be held around the State of Minnesota in 2005. This is definitely your one-stop shop for growing or starting your small business in Minnesota.

SOMERCOR 504 HELPS SMALL BUSINESS REACH THE PLAYING FIELD

by Russ Lenich, President of SomerCor504

Charles (Chuck) Eich and his wife, Elizabeth (Betty), started Eich's Sports, Inc. seventeen years ago in a town many would visualize as a typical Midwestern town. A downtown that today is in the process of being revitalized as the local retailers compete with the "big box" retailers like Wal-Mart. A town seventeen years ago that had farms surrounding it that today are being gobbled up by real estate developers as the town's population explodes. A town that in 1990 experienced a tornado that destroyed the local high school and killed six local residents, has seen changes at an unprecedented rate. The town is Plainfield, Illinois located in Will County—one of the top 10 fastest growing counties in the nation.

Chuck's love of coaching the local youth sports teams, in particular little league baseball, led him and Betty into the world of sports retailing. The need was there for a store where "kids can buy their warm-ups, jackets, and spirit wear without feeling they were being "ripped off"". At the time there was only one store in town and as president of the Plainfield Athletic Club, Chuck saw firsthand the need to give customers more choice (a/k/a competition). Today, Eich's Sports is competing with many other stores, both big and small.

Starting Eich's Sports was difficult with the not unexpected response many start-up entrepreneurs hear being "your lack of experience". At the time Chuck was working as a pipe fitter. And "when I need capital no one wants to lend it to you but when you don't need it, everyone is wanting to loan it to you" dilemma. Now 17 years later Eich's has one of only 36 Pro Batter Sports baseball pitching machines in the country. This machine is capable of pitching a baseball from 40-100 mph with either a curve, slider, fast ball or change-up. Pro teams like the Chicago White Sox and the St. Louis Cardinals are one of the few that have this particular pitching machine.



Charles (Chuck) Eich and his wife, Elizabeth (Betty)

To go along with that awesome pitching machine is a new building, thanks to the U.S. Small Business Administration's (SBA) 504 loan program and SomerCor 504, an SBA certified development company. Eich's is now located in a new facility not far from their old store. Of the total 16,100 sq. ft., Eich's will occupy approximately 10,000 sq. ft. and plan to lease the other 6,000 sq. ft. to three other tenants. The SBA 504 loan program allows small business owners the flexibility to factor into their long-range plans the need to allow the business to expand. In Eich's case, by purchasing an existing building, they need to occupy at least 51% of the total space with plans to occupy an additional 10% within the next two years. If a new building were purchased, Eich's would need to occupy at least 60% of the building initially with plans to occupy a total of 80% within the next two years.

However the biggest benefit in Chuck and Betty's eyes was the ability to lock in an attractive interest rate that is fixed for 20 years. Also with only a 10% down payment the SBA 504 loan program puts more working capital back into the hands of the small business owner. In Eich's Sports case, this allowed them to expand and purchase the above mentioned pitching machine, add more retail sales space and increase the number of batting cages from three to six. Chuck estimates 11 jobs will be created by their company over the next two years as a result of the new location.

When asked about his most unusual request, Chuck responded "when a 13 year old girl who wanted to play for the boy's football team, the Plainfield Junior Cats and to play, she needed a supporter. Well, Chuck went to work and did indeed find a supporter that is made for women and the girl played for the Junior Cats and into her sophomore year of high school." Eich's Sports customer service goes beyond just the ordinary and this philosophy has given them a niche as they compete in the "playing field" of today.

LENDER TRAINING=MARKET PENETRATION

Minnesota banking is still a vestige of the old unit banking position taken by many of the Midwestern states. Minnesota has more individual bank charters than any other state except Texas and Illinois. Most of the loans made each year in Minnesota are made with these smaller local banks.

Over the years, the SBA Minnesota District Office has worked very hard to develop and maintain excellent relationships with as many of these banks as possible. Because of this effort, Minnesota has loans with 459 banks out of the 472 independently chartered banks in the state. The Minnesota District Office has loans with

more banks than any other District Office.

Last fiscal year Minnesota had 182 different banks that made fewer than five new loans each and 104 those banks made only one loan. This year to date, 215 different banks have made loans; 180 of those have made fewer than five loans and of those, 91 have made only one loan. This successful market penetration is accomplished by conducting a very aggressive lender training program.

Each year for the past seven years the Minnesota District Office

has teamed up with the Minnesota Bankers Association (MBA) in sponsoring six regional lender training sessions. The topic is specifically on SBA lending and the Minnesota District staff are the instructors. About 125 bankers are trained with the help of the MBA each year. Also, in cooperation with the SBDCs, ten additional regional SBA lender training sessions are conducted for another 200 lenders. To further ensure the leaders are trained, last year the Minnesota District also conducted 63 in-office and out-of-office lender training sessions reaching over 1,000 lenders.

At every training session, each lender is informed that they can always call the Minnesota District Office and a representative will respond within 24 hours to any questions.

To meet the needs of the larger lenders, quarterly PLP/CLP meetings are conducted. Also quarterly 504 company meetings are conducted to exchange information and to keep everyone up to date. Micro-lenders also meet with the District staff on a semi-annual basis as a group for the same reasons.

TAKE FIVE MOMENT

**KUDOS TO
THE SBA
ILLINOIS
DISTRICT
OFFICE!!!**



Region V Administrator Patrick Rea and Illinois District Director Judith Roussel display a giant cookie emblazoned with a “# 1” to signify the Illinois District's first place Scorecard status in the "Very Large" markets. RA Rea hosted a pizza party to celebrate the first quarter accomplishment.

SBA MINNESOTA GIVES BACK



SBA Minnesota works on Habitat Home

Employees of the SBA Minnesota District Office are involved in many activities that give back to their community. This past summer, two of their employees worked on a Habitat for Humanity project in St. Paul. Other employees contribute to their community in several other programs, such as:

- Participating in Families Moving Forward (a program to host homeless families)
- Chairing a local Park & Tree Commission (responsible for acquiring, building and maintenance of parks & trails)
- Leading Boy Scout Troop 609 as a Scoutmaster & Webelo leader
- Teaching at Community Education instructor
- Working in a downtown Minneapolis mission to feed the homeless
- Mentoring a young woman in a leadership program

The Minnesota District Office is proud of the service and dedication of the employees both on the job and on their own time.

SMALL BUSINESS NETWORKING

MARCH 2005

March 24, 2005—Entrepreneur Express, sponsored by the MI-SBTDC. Fee: FREE, Thursday, 3/24/05, 7 – 9 PM. One Session. Registration required. Class will be held at the Chesterfield Township Library, 33091 23 Mile Road, Chesterfield Township, Michigan. Call (586) 725-7732 for information and to register. Or register online at: www.chelibrary.org.

March 24, 2005—SBA Regulatory Fairness Hearing for Small Business. Indianapolis Marion County Public Library—Glendale Branch (Registration: 8:30 AM-9:00 AM. Hearing: 9:00 AM-12:00 PM). ALL ATTENDEES MUST REGISTER IN ADVANCE. Contact Darlene Ballantyne at (317) 226-7272, ext. 212 or Francine Protogere at (317) 226-7272, ext. 270. Testimony may be submitted in writing or orally. For additional information visit the Office of the National Ombudsman's website at www.sba.gov/ombudsman.

APRIL 2005

April 20 (8:00 AM-3:30PM)—“Small Business Resource Fair”, Earle Brown Heritage Center, Brooklyn Center, Minnesota. To register, visit www.sba.gov/mn. For additional information, contact the SBA Minnesota District Office at (612) 370-2324.

MAY 2005

May 12, 2005—Women Business Owner Outreach Seminar hosted by Senator Michael DeWine. For more information, please contact the Cleveland District Office (216) 522-4180.

May 13, 2005—SBA's Annual Small Business Award Ceremony, followed by the **Resource Central Microenterprise Trade Fair**, Windows on the River, Cleveland, Ohio. For more information, contact our Cleveland District Office at (216) 522-4180.

May 20 (11:30AM-1:30PM)—“2005 Small Business Champion Awards Luncheon”, Northland Inn, Brooklyn Park, Minnesota. Hosted by the Minnesota SCORE Association in conjunction with the SBA Minnesota District Office. For more information, contact the SBA Minnesota District Office at (612) 370-2324.

JUNE 2005

June 1-2—SBA/CSU 2nd Annual Small Business Forum, Dayton Convention Center, Dayton, Ohio. For more information, contact: Jerry Mahone, Central State Net Incubator, (937) 376-6234.

To submit articles to “Take Five”, contact SBA's
Region V Communications Director Carol Wilkerson
at carol.wilkerson@sba.gov.

SCORE CORNER MINNESOTA DISTRICT OFFICE



In Minnesota, SCORE and SBA have enjoyed an excellent relationship over the years. SCORE has always been viewed as a partner in helping SBA achieve its goals of serving the small business community. A shining example of this relationship is the co-sponsorship of the state's annual Small Business Week Awards Celebration. Not only does SCORE help in nominating these champions of small business, they also host the year's premier event in honoring Minnesota's entrepreneurs. The 2005 event will be no different. Plans are in the works for a May 20th celebration to honor our Minnesota winners in which we are expecting over 300 people to attend. Without SCORE's statewide dedication and help, this event would not be possible.

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MINNESOTA

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www.sba.gov/mn

SMALL BUSINESS NETWORKING



April 26-28, 2005 Washington, DC

Be a part of the U.S. Small Business Administration's Expo '05: Celebrating National Small Business Week.

This special event, taking place in **Washington, DC, April 26-28**, provides an exceptional opportunity to join forces with business leaders from around the country, network and celebrate the tremendous contributions made by America's small businesses to our nation's economy.

Come and learn about cutting-edge business practices, find out what's hot in business trends, meet government officials and talk with decision-makers who help shape the economy.

CONFERENCE HIGHLIGHTS **BUSINESS MATCHMAKING**

A unique opportunity for small businesses to meet one-on-one with federal and corporate buyers to explore procurement options.

EXPO FLOOR

More than 180 exhibitors from the public and private sectors will provide information and offer opportunities to network.

BUSINESS SESSIONS

A superb lineup of educational seminars featuring expert panelists discussing the latest developments and best practices in the world of business and entrepreneurship.

TOWN HALL

Tackle the pressing issues facing entrepreneurs today; talk to the SBA Administrator and other special guests; ask questions and talk about what's on your mind.

Co-sponsors:



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Look for the lineup of
exciting speakers and
events soon!

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